



Biennial Review of Treasury Charges

The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, established fees for inspectional activities to offset the cost incurred by Customs for processing air and sea passengers, commercial vessels, commercial trucks, rail cars, private aircraft and vessels, dutiable mail packages, and licensing of Customs brokers. A major addition to Customs User Fee Program was enacted with the Omnibus Budget Reconciliation Act of 1986, which provided for an ad valorem merchandise processing fee on imported merchandise.

All of the fees are set legislatively, and any adjustments to the fees require a statutory change. The authorizing legislation also establishes restrictions, prohibiting Customs from using the fees to fund the related services. Some of the fees have legislative caps that limit the amount of cost recovery; in other cases, the amounts collected are not available to Customs, except through appropriations.

In the past, Customs was not able to adequately perform the biennial reviews of these fees, as required under the CFO Act, because of a lack of needed financial information. The relevant information is now being provided by CMIS. Customs completed a review of all user fees and reimbursable services programs. The review indicates that certain fees and charges should be revised to reflect the full cost of the services provided, but the proper fee amounts still need to be determined.

Financial Management Systems Initiatives

In FY 1999, resources invested in new or improved financial management systems have helped Customs create a more efficient work process:

Seized Asset and Case Tracking System (SEACATS)

SEACATS is the single repository for Customs inventory and case information related to seized and forfeited property; and to fines, penalties, and liquidated damages from case initiation to final resolution. SEACATS is also used by the Treasury Forfeiture Fund to track seized and forfeited property held by the seized property contractor on behalf of other Treasury bureaus. In FY 1999, additional functionality was added to SEACATS to include an Offers in Compromise module, enhanced property and currency reporting functions, and enhanced accounts receivable reports.

Cost Management Information System (CMIS)

In FY 1999, CMIS was implemented Customswide with hands-on training provided for each CMC to ensure successful implementation. CMIS provides managers with quantitative decision support information for resource use, full costs of operations, direct costs of operations for POEs and CMCs, assistance in evaluating program results, baseline costs for users fees, compliance with legislation, and accurate cost information for external parties (e.g., the Congress). CMIS data is used to assist in the preparation of Customs Statement of Net Cost. CMIS FY 2000 initiatives include utilizing the Customs Overtime and Scheduling System to obtain labor data information and improving the alignment of CMIS core business activity definitions with Customs strategic plan and performance measures.

Quality Planning for Asset Management (QPAM)

The QPAM project involves implementing best practices and off-the-shelf software solutions in order to reengineer the functional processes of budget, acquisition, property management and payables into a streamlined, integrated asset management process. The project was approved by the Customs Investment Management Program in FY 1999. A competitive procurement was held in FY 1999, which resulted in the selection of SAP's R/3 system as the new enterprise wide accounting and asset management software. Acceptance testing of the R/3 software will be conducted in FY 2000, with rollout planned for FY 2001 through FY 2003.